

notice of any default or failure of performance under any such contract or agreement, which default or failure has not been waived or cured. Each such contract or agreement is in full force and effect on the date hereof and true and correct copies of each thereof have been or will be, prior to Closing, made available or delivered to RHS.

(q) Accounts Receivable; Reserves. The accounts receivable of MCI and its subsidiaries reflected on the October 31, 1990 financial statements are, and those existing on the Closing Date (i) shall be, comprised of valid claims in the full amount thereof against the debtor charged therewith on their books; (ii) except as disclosed on such financial statements or otherwise disclosed to RHS, shall all have been acquired in the ordinary course of business; (iii) shall be subject to no known defenses, set-offs or counterclaims; and (iv) shall be collectible in full, less the reserves for bad debts and third party payor adjustments reflected on the October 31, 1990 balance sheets and on the balance sheets to be delivered to RHS between the date of this Agreement and the Closing Date.

(r) Insurance Coverages. MCI and its subsidiaries maintain in full force and effect, with no premium arrearages, insurance policies with the companies in the amounts and providing the coverages set forth in SCHEDULE 2.1(r). True and correct copies of all such policies, any endorsements thereto, and of all insurance facility inspection reports have been or will be, prior to Closing, made available or delivered to RHS.

(s) Bank Accounts. SCHEDULE 2.1(s) hereto contains a true and complete list as of October 31, 1990 of all accounts of MCI and its subsidiaries with banks, trust companies, savings and loan associations, brokerage houses, and money managers, and the names of all persons authorized to draw thereon or to have access thereto.

(t) Trademarks, Trade Names, Etc. SCHEDULE 2.1(t) hereto sets forth all, if any, of the trademarks, trade names, service marks, patents, copyrights, registrations of MCI and its subsidiaries, or applications with respect thereto, and licenses or rights under the same presently owned, used or intended to be acquired or used by any of them, and to the extent set forth in SCHEDULE 2.1(t), the same have been duly registered in such offices as are indicated thereon.

(u) Accuracy of Information. To its best knowledge and belief, the financial materials, schedules and other materials supplied and to be supplied to RHS pursuant to this Agreement are and shall be substantially complete and

correct in all material respects, include and shall include all material facts required to describe fairly and accurately the business and properties of MCI and its subsidiaries, and do not and shall not omit any material fact necessary to make such materials not misleading.

(v) Reports and Returns. To its best knowledge and belief, MCI and its subsidiaries have timely filed all reports and returns heretofore required by federal, state or municipal authorities and all reports and returns to the various governmental authorities which control, directly or indirectly, any of their activities. All such reports and returns are based upon accurate information and reasonable assumptions and were prepared and filed in the manner prescribed by applicable law and/or regulation.

(w) Additional Documents Supplied by MCI. MCI has delivered or made available, or will deliver or make available before Closing, to RHS true and exact copies of (i) all cost reports MCI and its subsidiaries have filed with Medicare and Medicaid for the last three (3) years, as well as all correspondence and other documents relating to any disputes and/or settlements with Medicare or Medicaid within the last three (3) years, and (ii) all appraisal reports, surveys or other documents which evaluate or describe any of the properties and assets of any of them within the last three (3) years, and (iii) all reports they and their predecessors in interest have filed with the U.S. Department of Health and Human Services, the U.S. Drug Enforcement Administration, Missouri Division of Health, and Missouri Health Facilities Review Committee, as well as all correspondence and other documents relating to any audits, disputes, and/or settlements with any of these governmental agencies within the last three (3) years.

(x) Subsidiaries, Partnerships and Investments. Except as disclosed in SCHEDULE 2.1(x) hereto, (i) MCI does not own capital stock or other securities of, or any equity interests or investment in, any nonpublicly traded corporation, partnership, joint venture, or other entity; (ii) all such equity interests in each of the corporations, partnerships, joint ventures and other entities named in such SCHEDULE 2.1(x) are owned directly by MCI free and clear of all mortgages, liens, pledges, charges, security interests, encumbrances, options, rights of third parties, charges and restrictions whatsoever (collectively "Liens") other than those disclosed on SCHEDULE 2.1(x), all of which would not materially adversely effect the operations of MCI or such entities;

(y) Stock and Records. To its best knowledge and belief, all of the outstanding capital stock issued to MCI

by any subsidiaries identified on SCHEDULE 2.1(x) was and is properly issued, and all of their books and records, including but not limited to their stock record books, minute books, By-Laws and books of account, are accurate and complete in all material respects.

(z) Hazardous Substances. To the knowledge of MCI, all real property, buildings and other improvements thereon owned by MCI or an MCI subsidiary (for purposes of this Section 2.1(z), collectively referred to as the "property") have never been and are not currently used as a site for the storage or disposal of solid waste, infectious waste, petroleum products, pesticides, PCBs, asbestos, toxic substances or materials or hazardous substances or materials (herein collectively referred to as "hazardous substances"), except for the temporary storage of any such materials pending proper disposal. Except for the generation of hazardous substances, which have been and are being disposed of in compliance with applicable environmental laws, the property has never been and is not currently used as a site for the generation of hazardous substances. Except as disclosed on SCHEDULE 2.1(z), no underground fuel storage tanks have ever been nor are they currently located on or within the property. To its knowledge, MCI, its subsidiaries and the property, including any underground fuel storage tanks located within the property, are in full compliance with all environmental laws, and no event has occurred that would constitute non-compliance thereof, whether upon the giving of notice or passage of time or both. No governmental agency or authority has issued any notices or claims or commenced any proceedings regarding or alleging the existence, storage or disposal of hazardous substances on the property, or the discharge or release of hazardous substances from the property. For purposes hereof, "applicable environmental laws" shall mean the Resource Conservation and Recovery Act of 1981 (as amended) ("RCRA"), the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended) ("CERCLA"), the Hazardous Waste Management Act of 1978 (as amended), the Clean Air Act of 1970 (as amended), the Toxic Substances Control Act of 1976 (as amended), and any other environmental laws of the United States, the State of Missouri, and the ordinances of any applicable county or municipality, and "hazardous substance" and "release" shall have the meaning specified in such applicable environmental laws.

Section 2.2 RHS's Representations. RHS represents and warrants as follows:

(a) Organization and Existence. RHS is a corporation duly incorporated, validly existing, and in good standing

under the laws of the State of Missouri, and is in good standing in all other jurisdictions in which it is required to be qualified to do business as a foreign corporation.

(b) Authorization, Etc. The execution, delivery and performance by RHS of this Agreement and all related instruments, agreements, and documents have been duly authorized by RHS. The execution, delivery and performance by RHS of these instruments, agreements, and documents is within its corporate powers, has been duly authorized by all necessary corporate action, and is not prohibited, restricted, or inhibited by (i) the Articles of Incorporation or By-laws of RHS; or (ii) any law, indenture, contract, instrument or agreement which is binding on RHS (other than contracts for which appropriate consents to this transaction have been or prior to Closing will be obtained).

(c) Approval of Governmental Bodies. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by RHS of this Agreement and all related agreements, instruments and documents other than pre-closing notification to the Federal Trade Commission under the Hart-Scott-Rodino Pre-Merger Notification Act and such approvals as have been or prior to Closing will be obtained by RHS.

(d) Enforceability of Obligations. This Agreement and all related agreements, instruments and documents are, or upon execution at the Closing will be, legal, valid and binding obligations and enforceable against RHS, as applicable in accordance with their respective terms, except to the extent of applicable bankruptcy, moratorium, insolvency, reorganization and other laws and legal principles affecting or limiting creditors' rights generally.

(e) Financial Statements. Consolidated balance sheets of RHS as of December 31, 1989 (audited) and October 31, 1990 (unaudited), and the related consolidated statements of income and retained earnings and changes in financial position for the period then ended, copies of which have been furnished to MCI, fairly present its financial condition as of such dates and the results of operations for the periods ended on such dates, all in accordance with generally accepted accounting principles which have been applied on a basis consistent with that of the preceding period; and since October 31, 1990, there has been no material adverse change in such condition or such operations except those described in SCHEDULE 2.2(e) hereto. The unaudited combined balance sheet for RHS as of October 31, 1990, and the unaudited combined statements of operations

for the ten (10) months ended October 31, 1990, and the audited combined balance sheet and combined statements of operations for the fiscal year ended December 31, 1989, copies of which have been furnished to MCI, are based upon accurate information and reasonable assumptions.

(f) Outstanding Guaranties. RHS has no guaranties outstanding by which it guarantees any indebtedness or any liability of any other person or entity other than guaranties of obligations of RHS subsidiaries and the guaranties described on the consolidated financial statements of RHS.

(g) Compliance with Law and Other Regulations. To its best knowledge and belief, RHS and its activities as presently conducted are in compliance with all requirements of all governmental bodies or agencies having jurisdiction over it, the conduct of its business, the use of its properties and assets, and all premises occupied by it; and, without limiting the foregoing, to its best knowledge and belief, RHS has all required licenses, permits, certificates, registrations and authorizations needed for the conduct of its business and the use of its properties and the premises occupied by it. RHS has delivered or made available or will prior to Closing deliver or make available to MCI true and correct copies of such licenses, permits, certificates, registrations or authorizations, as well as the most recent fire, safety and other inspection reports relating to its business. To its best knowledge and belief, there is no act or omission on the part of RHS occurring on or before the date hereof which would subject it to the likelihood of any fine or suspension. RHS has not received any notice not heretofore complied with or waived by the responsible authority, from any federal, state or other governmental authority or agency having jurisdiction over its properties or activities, or any insurance or inspection body, that its operations or any of its properties, facilities, equipment, or business procedures or practices fail to comply with any applicable law, ordinance, regulation, building or zoning ordinance, code, or regulation, or requirement of any public authority or body.

(h) Exempt Status. RHS has not received any notice of any investigation nor is the subject of any pending action or proceeding which alleges that it is in violation of or questions its compliance with any of the requirements of §501(c)(3) of the Code or any other provision of the Code or state law which are conditions to the continued maintenance of its tax exempt status under federal or state law.

(i) Accuracy of Information. To its best knowledge and belief, the financial materials, schedules and other

materials supplied and to be supplied to MCI pursuant to this Agreement are and shall be substantially complete and correct in all material respects, include and shall include all material facts required to describe fairly and accurately the financial condition of RHS, and do not and shall not omit any material fact necessary to make such materials not misleading.

ARTICLE III

CONDUCT OF BUSINESS PENDING CLOSING; CONFIDENTIALITY

Section 3.1 Affirmative Covenants. From and after the signing of this Agreement and continuing until the Closing Date, MCI shall and shall cause its subsidiaries to:

(a) Compliance with Laws. Comply in all material aspects with all applicable laws, rules, regulations, and orders, including, but not limited to, federal and state laws, rules and regulations applicable to Hospitals, Medicare and Medicaid, the Code, and ERISA.

(b) Financial and Other Reports. Furnish to designated representatives of RHS:

(i) promptly following preparation thereof, monthly unaudited financial statements of their operations, together with all management information support data to be provided to their directors for each such month, including, but not limited to, monthly cash position reports, monthly inpatient activity reports, health care utilization pattern reports by service, and as otherwise reported, productivity pattern reports such as FTE by department or service, and liability issue reports;

(ii) promptly after the filing or receiving thereof, copies of any and all reports and notices which they or any of their subsidiaries file under ERISA with the Pension Benefit Guaranty Corporation ("PBGC"), the U.S. Department of Labor, or the Internal Revenue Service or which they or the Pension Plan receives from PBGC, the U.S. Department of Labor, or the Internal Revenue Service, and which specifically address the Pension Plan (and are not general mailings to all Plan sponsors);

(iii) promptly after the filing or receiving thereof, copies of any and all reports, notices, and correspondence which they file with or receive from federal and state agencies regulating their business

and which specifically address their operations and are not general mailings to their industry; and

(iv) promptly after the filing or receiving thereof, copies of all tax returns, reports, notices, and correspondence which they or any of their subsidiaries file with or receive from the Internal Revenue Service, the Missouri Department of Revenue, and any other federal, state, or local agency with taxing authority over any of them, except for general mailings to taxpayers.

(c) Preservation of Business and Corporate Existence.

Use reasonable care to operate their businesses in the manner necessary to maintain the good will of their physicians, personnel, allied health professionals, patients, third party payors, customers and suppliers and their reputation in the communities they serve; maintain in good standing their corporate existence and right to transact business in those states in which they are now or may hereafter be doing business; maintain MCI's status as an organization exempt from federal income tax under §501(c)(3) of the Code, and maintain all licenses, permits and registrations necessary to or required for the conduct of their businesses.

(d) Insurance. Insure and keep insured at all times with good and responsible insurance companies: (i) all of their property of an insurable nature, including, without limiting the generality of the foregoing, all real estate, equipment, fixtures and inventories, against fire and other casualties in such manner and to the extent that like properties are usually insured by others operating properties of a similar character in a similar locality; and (ii) against liability on account of damage to persons or property (including professional and general liability insurance and under all applicable worker's compensation laws) in such manner and to the extent that like risks are usually insured by persons conducting similar businesses.

(e) Payment of Taxes. Pay and discharge, before they become delinquent, all taxes, assessments and other governmental charges imposed upon MCI or any of its subsidiaries, or any of their properties, or any part thereof, or upon the income or profits therefrom and all claims for labor, materials or supplies which if unpaid might be or become a lien or charge upon any of such property, except such items as they are in good faith appropriately contesting and as to which they have provided adequate reserves.

(f) Maintenance of Properties and Leases. Use reasonable care to maintain, preserve and keep their properties and every part thereof in good repair, working order and condition, from time to time; make all needful and proper repairs, renewals, replacements, additions, betterments and improvements thereto; and maintain all leases of real or personal property in good standing, free of any defaults thereunder.

(g) Notice of Material Adverse Effect. Give prompt notice in writing to RHS of any nonobservance of any of the covenants in this ARTICLE III or any development or the occurrence of any event, financial or otherwise, which constitutes a default under any agreement relating to borrowed money or which may or shall materially adversely affect the business, properties or affairs of MCI, its subsidiaries or MCI's ability to perform its obligations under this Agreement or any other agreements, instruments, or documents related thereto.

(h) Books and Records; Inspection; Bank Audits. Maintain complete and accurate books and records; permit persons designated by RHS to visit and inspect their properties, inspect their books and records (including board reports, copies of filings with governmental agencies, journals, orders, receipts and correspondence which relate to their business or accounts), and to discuss the affairs, finances and accounts of MCI and its subsidiaries with their principal officers, legal counsel, and independent public accountants; all the foregoing inspections and discussions to be at reasonable times.

(i) Regular Meetings of Chief Officers. The Chief Executive Officer of MCI and the Chief Operating Officer of RHS and such other personnel as they deem appropriate shall meet on a regular basis as appropriate to review MCI financial and management reports, short-term and long-term planning, and results of operations.

Section 3.2 Actions Requiring Consent. From and after signing of this Agreement and prior to the Closing Date, except as otherwise consented to or approved in writing, MCI and its subsidiaries shall not:

(a) enter into, renew, amend, or terminate any contract or agreement to which any of them is a party and which: (i) is with any third party payor of health care services, including any HMO, PPO, insurance company, employer or union fund, and governmental agency; (ii) involves expenditure or receipt of more than \$5,000 (other than provision of patient care services in the ordinary

course of business); or (iii) is for a term exceeding one (1) year;

(b) sell, lease or transfer all or a substantial part of their properties or assets or subject the same to a mortgage, pledge, lien or other encumbrance;

(c) incur any other contractual obligation or liability, absolute or contingent, other than current liabilities incurred in the ordinary course of business, or make any loans or advances to any person, firm or corporation which is not a subsidiary of MCI, or assume, guarantee, endorse or otherwise become liable for the obligations of any person, firm or corporation which is not a subsidiary of MCI; or

(d) agree to settle any pending or threatened malpractice or general liability litigation or claims against any of them, except for those settlements which are covered by insurance policies where the insurer has recommended settlement and the cost to MCI is limited to applicable deductibles.

Section 3.3 Confidentiality. RHS and MCI, on behalf of themselves and their related entities, mutually agree that any confidential or proprietary matters (except publicly available or freely usable material as otherwise obtained from another source who was rightfully in possession of and entitled to disseminate such material) respecting either party or their respective related entities will be kept in strict confidence by the other party to this Agreement, and shall not be used or disclosed by the other party if the transaction contemplated by this Agreement is not consummated. The provisions of this Section 3.3 shall survive termination of this Agreement. In the event of termination of this Agreement, each party shall use all reasonable efforts to return, upon request, to the other party, all documents (including reproductions thereof) received from or at the direction of the other party (and, as to reproductions, all reproductions made by or on behalf of the receiving party) that include any information not within the exceptions contained in the first sentence of this Section 3.3.

ARTICLE IV

CONDITIONS PRECEDENT TO CLOSING

Closing of this transaction shall not occur unless all of the conditions precedent set forth in this Article IV shall have been satisfied or waived in writing on or before the Closing Date.

Section 4.1 Conditions Precedent to RHS's Obligation to Close. RHS shall not be obligated to close unless all of the following conditions are satisfied on or before the Closing Date or RHS elects to waive in writing any condition which has not been satisfied:

(a) Compliance. All of the representations of MCI contained in this Agreement shall be true as of the date of this Agreement and shall be deemed to have been made again at and as of the time of the Closing, and shall then be true in all material respects, and MCI shall have caused all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing to be so performed or complied with;

(b) Opinion of Counsel. RHS shall have been furnished with the opinion of counsel to MCI, in form and substance reasonably satisfactory to RHS, dated the Closing Date, to the effect set forth in SCHEDULE 4.1(b) attached hereto;

(c) No Action, Etc. No action or proceeding shall have been brought or threatened before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of the transactions contemplated hereby, and no governmental authority shall have asserted in writing that the within transaction (or any other pending transaction involving RHS, when considered in light of the effect of the within transaction) shall constitute a material violation of law or give rise to material liability on the part of RHS;

(d) Legal Matters. All actions, proceedings, instruments and documents required to carry out this Agreement incidental hereto and all other related legal matters, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall have been approved by legal counsel to RHS, which approval shall not be unreasonably withheld, and RHS's legal counsel shall have been furnished with all actions, documents and instruments as they shall have reasonably requested in connection with the transactions contemplated herein;

(e) Incumbency Certificates. RHS shall have received incumbency certificates, dated as of the Closing Date, certifying the incumbency of each officer and director of MCI and containing specimens of the signatures of the officers who are signing documents to be delivered at the Closing;

(f) Certified Resolutions. MCI shall have furnished resolutions, certified by the appropriate officers of MCI

and its subsidiaries, authorizing the transaction contemplated hereby and amending the Articles of Incorporation and/or By-Laws of each of them in the manner required by Sections 1.8 through 1.10 of this Agreement;

(g) Governmental Compliance. The parties shall have complied with the preclosing requirements, if any, of the Federal Trade Commission, the U.S. Department of Health and Human Services, the Missouri Division of Health, the Missouri Health Facilities Review Committee, and any other governmental agency with jurisdiction to regulate the business of MCI or RHS; and

(h) Lender Approvals. The parties shall have received written approval of the transaction by any lender or party which may have an agreement with RHS, MCI, or any MCI subsidiary which limits or restricts the obligations, covenants and conditions to be observed or performed by RHS and MCI hereunder.

(i) Due Diligence Review and Strategic Plan. RHS shall have completed its due diligence review of the financial condition, business, operations, prospects and relationships of MCI and its subsidiaries to RHS's reasonable satisfaction. The strategic plan to be mutually developed and agreed to pursuant to Section 1.2 of this Agreement shall have been completed and received approval by the RHS Board of Directors.

(j) Expedited Audit of MCI. MCI shall have requested an expedited audit of its financial statements and operations for calendar year 1990, and prior to closing, the CFO of RHS shall have the opportunity to meet with the CFO of MCI and the partner in charge of the audit to review and discuss the findings to date and the remaining areas to be reviewed. The discussion and the meeting with the partner in charge of the audit shall not disclose or reveal any items which RHS considers materially adverse to the financial condition, business or prospects of MCI.

Section 4.2 Conditions Precedent to the Obligations of MCI to Close. MCI shall not be obligated to close unless all of the following conditions are satisfied on or before the Closing Date or MCI elects to waive in writing any condition which has not been satisfied:

(a) Compliance. All of the representations of RHS contained in this Agreement shall be true as of the date of this Agreement and shall be deemed to have been made again at and as of the time of the Closing, and shall then be true in all material respects, and RHS shall have caused all agreements, covenants and conditions required by this

Agreement to be performed or complied with by it prior to or at the Closing to be so performed or complied with;

(b) Opinion of Counsel. MCI shall have been furnished with the opinion of counsel to RHS, in form and substance reasonably satisfactory to MCI, dated the Closing Date, to the effect set forth in SCHEDULE 4.2(b) attached hereto;

(c) No Action, Etc. No action or proceeding shall have been brought or threatened before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of the transaction contemplated hereby, and no governmental authority shall have asserted in writing that the within transaction (or any other pending transaction involving MCI, when considered in light of the effect of the within transaction) shall constitute a material violation of law or give rise to material liability on the part of MCI;

(d) Legal Matters. All actions, proceedings, instruments and documents required to carry out this Agreement incidental hereto and all other related legal matters, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall have been approved by legal counsel to MCI, which approval shall not be unreasonably withheld, and such counsel shall have been furnished with all such actions, documents and instruments as they shall have reasonably requested in connection with the transactions contemplated herein.

(e) Incumbency Certificates. MCI shall have received incumbency certificates, dated as of the Closing Date, certifying the incumbency of each officer and director of RHS and containing specimens of the signatures of each of the officers who are signing documents to be delivered at the Closing;

(f) Certified Resolution. RHS shall have furnished resolutions, certified by the appropriate officer of RHS, authorizing the transactions contemplated hereby, and amending the Bylaws of RHS in the manner required by Section 1.7 of this Agreement;

(g) Governmental Compliance. The parties shall have complied with the preclosing requirements, if any, of the Federal Trade Commission, the U.S. Department of Health and Human Services, the Missouri Division of Health, the Missouri Health Facilities Review Committee, and any other governmental agency with jurisdiction to regulate the business of RHS and MCI; and

(h) Lender Approvals. The parties shall have received written approval of the transaction by any lender or party which may have an agreement with RHS, MCI or MCI's subsidiaries which limits or restricts the obligations, covenants and conditions to be observed or performed by them hereunder.

(i) Due Diligence Review and Strategic Plan. MCI shall have completed its due diligence review of the financial condition, business, operations, prospects and relationships of RHS to MCI's reasonable satisfaction. The strategic plan to be mutually developed and agreed to pursuant to Section 1.2 of this Agreement shall have been completed and received approval by the MCI Board of Directors.

ARTICLE V

CLOSING

Section 5.1. Time and Place. Unless otherwise agreed to by the parties, the Closing under this Agreement for the integration of MCI and its subsidiaries into RHSS shall take place at the offices of MCI, 17203 E. 23rd Street, Independence, Missouri, on MARCH 1, 1991, at 9:00 A.M., Local Time. All references in this Agreement, its exhibits and schedules, and in the agreements, instruments and documents delivered pursuant hereto, to the Closing or the Closing Date shall mean March 1, 1991 or such other date as the parties mutually agree.

Section 5.2 Deliveries. At the Closing:

(a) MCI shall deliver to RHS:

(i) Certified resolutions of the MCI and subsidiary Boards of Directors authorizing MCI and its subsidiaries to amend their Articles of Incorporation and By-Laws in the manner described in Sections 1.8, 1.9, and 1.10 of this Agreement;

(ii) Certificates of Good Standing or corporate existence of MCI and its subsidiaries issued by the Secretary of State of Missouri, dated not more than thirty (30) days prior to the Closing Date;

(iii) The legal opinion of counsel to MCI as required by Section 4:1(b) hereof;

(iv) Duplicate originals of Amended Articles of Incorporation effecting the modification of the

governing structure of MCI and the MCI subsidiaries in the form and executed in the manner specified by R.S.Mo. §355.070 and R.S.Mo. §355.075, or R.S.Mo. §351.085 and R.S.Mo. §351.090, as applicable, for filing by the parties with the Missouri Secretary of State. Following Closing, MCI shall cause the Missouri Secretary of State to issue certificates to RHS of the filing of such Amended Articles of Incorporation;

(v) The incumbency certificates required by Section 4.1(e) hereof;

(vi) The certified resolutions required by Section 4.1(f) hereof;

(vii) The By-Laws of MCI and its subsidiaries amended in the manner required by this Agreement and certified by the Secretaries of MCI and each subsidiary to have been duly adopted by the Board of Directors of MCI and each subsidiary; and

(viii) Any such other documentation as counsel to RHS may reasonably request.

(b) RHS shall deliver to MCI:

(i) A certified resolution of the RHS Board of Directors authorizing RHS to amend its By-Laws in the manner described in Section 1.7 of this Agreement;

(ii) A Certificate of Good Standing or corporate existence of RHS issued by the Secretary of State of Missouri, dated not more than thirty (30) days prior to the Closing Date;

(iii) The legal opinion of counsel to RHS as required by Section 4.2(b) hereof;

(iv) The incumbency certificates required by Section 4.2(e) hereof;

(v) The certified resolutions required by Section 4.2(f) hereof;

(vi) The By-Laws of RHS amended in the manner required by this Agreement and certified by the Secretary of RHS to have been duly adopted by the Board of Directors; and

(vii) Any such other documentation as counsel to MCI may reasonably request.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Further Assurances. Each party hereto shall execute such further instruments and documents as counsel for the other party may reasonably require to carry out effectively the transactions contemplated hereby and to evidence the fulfillment of the agreements contained herein and the performance of all conditions to the consummation of such transactions.

Section 6.2 Representations and Agreements Do Not Survive Closing. The representations and agreements of the parties set forth herein and in the certificates to be delivered at the Closing shall not survive the termination of this Agreement nor shall they survive the Closing and, following termination of this Agreement or the Closing, as the case may be, no party shall have a cause of action or any other remedy based upon the noncompliance of any party with any provision of this Agreement or based upon the omission, untruth or misleading nature of any representation made hereunder. RHS and MCI shall each rely upon their own investigation in determining whether or not to close the transactions contemplated hereunder.

Section 6.3 Entire Agreement; Construction; Counterparts. This Agreement, including the financial statements, the Exhibits hereto, and the Schedules delivered pursuant thereto, constitutes the entire agreement of the parties and may not be changed, terminated or discharged orally. The headings appearing in this Agreement have been inserted solely for the convenience of the parties and shall be of no force or effect in the construction of the provisions of this Agreement. This Agreement shall be construed under the laws of the State of Missouri and, subject to Section 6.4 hereinafter, shall be binding upon and inure to the benefit of the parties hereto, their respective successors, and permitted assigns. This Agreement may be executed in several counterparts, and each executed counterpart shall be considered an original of this Agreement.

Section 6.4 Assignment. Except as provided in this Section 6.4, no party to this Agreement may assign its rights or delegate its duties to any other person or entity without the prior written consent of the other party hereto. RHS may, without consent of MCI, assign its rights and delegate its duties hereunder to any corporation which is owned or controlled, directly or indirectly, by RHS, or which owns or controls RHS. For purposes of this Section, ownership shall mean ownership of

at least a majority of the voting stock and control shall mean the right to elect a majority of the board of directors.

Section 6.5 Notices. Notices hereunder shall be effective if deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, and addressed, as follows:

MCI: Medical Center of Independence, Inc.
17203 E. 23rd Street
Independence, MO 64057
Attn: E. Lyn Crowley,
President of the Board

Copy to: Mr. Kent Snapp
Johnson, Lucas, Bush, Snapp & Burgess
1006 Grand, Suite 1414
Kansas City, MO 64106

RHS: Research Health Services
2304 E. Meyer Blvd, Suite 2304
Kansas City, MO 64132
Attn: E. Wynn Presson, President

Copy to: Larry J. Bingham
Seigfreid, Bingham, Levy, Selzer & Gee
2800 Commerce Tower
911 Main
Kansas City, MO 64105

Either party may change the address to which notices are to be addressed by giving the other party notice in the manner herein set forth.

Section 6.6 Expenses. Each party to this Agreement shall pay its own costs and expenses (including, without limitation, the fees and expenses of its counsel, auditors, and accountants) incidental to the preparation and carrying out of this Agreement.

Section 6.7 Brokerage Fee. Each of the parties hereto represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to a brokerage or other fee or commission in respect of the execution of this Agreement and/or the consummation of the transactions contemplated hereby. With respect to brokerage fees or commissions, RHS shall exonerate, indemnify and hold MCI harmless against and in respect of any and all claims, losses, liabilities and expenses which may be suffered by MCI by reason of any such arrangement or agreement made by RHS; its agents or employees, and MCI shall exonerate, indemnify and hold RHS harmless in respect of any and all claims, losses, liabilities and expenses

which may be suffered by RHS by reason of any such arrangement or agreement made by MCI or its agents or employees.

Section 6.8 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 6.9 Invalidity of Any Provisions. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of each state and jurisdiction in which such enforcement is sought, and that the unenforceability (or the modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision to this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

Section 6.10 Third Parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any person other than the parties hereto any rights or remedies under or by reason of this Agreement.

Section 6.11 Termination of Agreement. This Agreement may be terminated on or before the Closing Date without liability on the part of any party exercising such right of termination:

- (a) By the mutual consent of all the parties hereto;
- (b) By any party hereto if at the time of Closing a condition to Closing has not been satisfied;
- (c) By any party hereto if there has been a material misrepresentation or breach on the part of any other party of the warranties of such other party set forth herein or made pursuant hereto, or if there has been any failure on the part of any other party to perform its obligations or comply with its covenants hereunder.

Section 6.12 Preparation of Schedules. The parties acknowledge that this Agreement has been signed without attachment of the Exhibits and Schedules described herein. The parties agree to use mutual best efforts to complete and attach to this Agreement all Exhibits and Schedules described herein. Completion and attachment of all such Exhibits and Schedules to the reasonable satisfaction of RHS and MCI shall be an additional condition to closing.

IN WITNESS WHEREOF, the parties have caused their corporate names to be hereunto subscribed by their duly authorized officers.

RHS:

RESEARCH HEALTH SERVICES

By

Arthur Brand
Arthur Brand, Chairman

MCI:

MEDICAL CENTER OF INDEPENDENCE,
INC.

By

E. Lyn Crowley
E. Lyn Crowley,
President of the Board